



October 22, 2009

Mr. Brian Carlson, Public Works Director
City of Vancouver
P. O. Box 1995
Vancouver, Washington 98668-1995

RE: Boise Landfill Decommissioning

Dear Brian:

This letter comes to address the request by the City for performance assurances in the decommissioning of the Boise Landfill and creating a site ready for light industrial development at approx. one foot above the level of the 100-year flood plain for the 43+ acre site. The City believes the cost of the entire work effort is difficult to accurately estimate and can last as long as five years. Therefore, the City requires that the developer be able to demonstrate its financial capacity. The City is concerned if the developer is unable to complete the development work at any point, then the City itself might be forced to complete the work.

The Boise Landfill's fee is in an LLC owned by Hough Foundation ("Hough") and managed by Portside Lagoon & Landfill, LLC ("Portside") for \$1 a year. Portside is also the developer. I founded Hough in 1992 and have been instrumental in attempting to obtain the necessary permits to move forward with this development effort. To advance this effort, a current first lien exists on the property in favor of Riverview Bank in the amount of \$1,500,000. There is also a David W. Groth (PGP) formal appraisal on the property in its current 'as is' condition of \$5,490,000 and also in its estimated value when the site is ready for light industrial development value of \$9,475,000. Except for the value of this landfill and a free and clear indoor Community Swimming Pool, Hough has no other meaningful financial assets.

Realvest itself will warrant that it will step in when requested by the City, according to their written agreement, and properly complete the development as assumed by the City's permits. In addition, Realvest proposes that Hough will execute a Deed of Trust to the City of Vancouver for the 43.5 acres subject only to the existing Riverview lien. The property will have an initial value based on the PGP Appraisal of \$5,490,000 minus existing liens of the lien of \$3,900,000. The City would have the right to take the property under certain agreed upon conditions which would include:

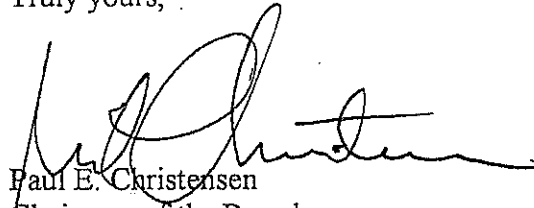
1. Hough's failure to complete the grading to the 29 foot elevation with the permit time period.
2. Any major violation of the conditions of the permits which endanger the environment or the health of the public.
3. Hough's bankruptcy.
4. If Hough is unable to complete the permit requirements, it may assign its rights to the permits and to the property to Realvest or another assignee, approved by the City and County, which entity shall have the option to complete the work.
5. Should the City take the property, it shall make its best efforts to fulfill the requirements of the permits as inexpensively as possible and legal and sell the property in a commercially reasonable manner. Any profit made by the City shall be reimbursed to the Hough Foundation to support local charities.

By assigning the property to the City, no one has to be concerned with the amount of a bond or the cost of the work to be done. The property remains as sufficient collateral until the job is completed.

Obviously, the City would first demand that Realvest complete the work as agreed. If for some unforeseen reason Realvest did not complete the work, then the City would still have the right to take the deed from escrow and liquidate the property. During this whole period, the property is gaining in value through the extent of work accomplished. It is unreasonable to suppose that very little work would be accomplished given the value of the property when completed and the reputation of Realvest. The City is thus doubly protected.

We look forward to finally getting started after this long and expensive six year effort.

Truly yours,



Paul E. Christensen
Chairman of the Board

PEC/reb

cc: Mike Simon
Alan Park
Brian Carrico